

Health Benefits Fund
For the period ended March 31, 2006
(amounts expressed in thousands)

	FY2005 Actual	FY2006				F & A Projection
		Adopted Budget	Current Budget	YTD	Controller's Projection	
Operating Revenues						
City Medical Plans	\$ 200,879	\$ 234,349	\$ 234,349	\$ 162,497	\$ 216,609	\$ 216,609
City Dental Plans	7,811	8,483	8,483	6,037	8,073	8,073
City Life Insurance Plans	5,230	5,565	5,565	4,042	5,560	5,560
Health Flexible Spending Account	0	0	0	0	165	165
Dependent Care Reimbursement	139	160	160	110	160	160
Operating Revenues	<u>214,059</u>	<u>248,557</u>	<u>248,557</u>	<u>172,686</u>	<u>230,567</u>	<u>230,567</u>
Operating Expenses						
Operating Expenses						
City Medical Plan Claims	198,162	231,299	217,783	158,167	214,602	214,602
City Dental Plan Claims	7,811	8,483	7,144	6,037	8,073	8,073
City Life Insurance Plans	5,226	5,565	4,540	4,039	5,560	5,560
Administrative Costs	2,651	3,450	3,450	2,081	3,169	3,169
Health Flexible Spending Account	0	0	0	0	165	165
Dependent Care	139	160	160	110	160	160
Operating Expenses	<u>213,989</u>	<u>248,957</u>	<u>233,077</u>	<u>170,434</u>	<u>231,729</u>	<u>231,729</u>
Operating Income (Loss)	70	(400)	15,480	2,252	(1,162)	(1,162)
Nonoperating Revenues (Expenses)						
Interest Income	437	350	350	355	390	390
Prior Year Expense Recovery	2	50	50	1,007	1,007	1,007
Nonoperating Revenues (Expenses)	<u>439</u>	<u>400</u>	<u>400</u>	<u>1,362</u>	<u>1,397</u>	<u>1,397</u>
Pension Bond Proceeds	0	0	0	0	0	0
Net Income (Loss)	509	0	15,880	3,614	235	235
Net Assets, Beginning of Year	<u>768</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>
Net Assets, End of Year	<u>\$ 1,277</u>	<u>\$ 1,277</u>	<u>\$ 17,157</u>	<u>\$ 4,891</u>	<u>\$ 1,512</u>	<u>\$ 1,512</u>

About the Fund:

The Health Benefits Fund is an Internal Service Fund administered by the Human Resources Department. The Fund was established in 1984 to centralize the financial transactions for the City's benefit plans. In May 1994, the entire health benefits delivery system was revamped with a new system that employs aggressive managed care features. HMOBlueTexas (HMOBTX) provides Health Maintenance Organization (HMO) and Point of Service (POS) plan, with limits on annual increases. These plans are supported by contributions from the City and participants. The Fund also includes two dental plans, a dental/health maintenance organization (DHMO) and a dental indemnity plan. Both plans are supported exclusively by participants.